

MONTANA WHEAT AND BARLEY COMMITTEE

Fall Board Meeting
MWBC Office
2nd Floor Conference Room
Great Falls, Montana
October 10, 2012

The following were present for either a portion of or the entire meeting.

DIRECTORS

Bruce Myllymaki, Chairman
Randy Hinebauch, Director
Leonard Schock, Director
Tom Siderius, Director

Milo Mattelin, Vice Chairman
Chris Kolstad, Director
Frank Schoonover, Director

EX-OFFICIOS

Ron de Yong, Director, Montana Department of Agriculture
Byron Grassman, Manager, Mountain View Coop
Dr. Jeff Jacobsen, Dean; MSU College of Agriculture and Director; Montana Ag Experiment Station

STAFF

Kim Falcon, Executive Vice President
Cassidy Marn, Marketing Program Manager
Steve Becker, Outreach Coordinator
Kolleen Spurgin, Administrative Financial Assistant
Tammy Suek, Administrative Assistant

GUESTS

Terry Whiteside, Freight Traffic Consultant, Whiteside and Associates
Joel Clairmont, Deputy Director, Department of Agriculture
Maia Aageson, Agriculture Liaison, Senator Tester's Office
Lochiel Edwards, Chairman, Prairie Marketing Group
Lola Raska, Executive Vice President, Montana Grain Growers
Bing Von Bergen, First Vice President, National Association of Wheat Growers
Steve Anderson, Director, USDA-NASS
Libbi Lovshin, Administrator, Central Services Division, Department of Agriculture
Angie Nelson, Manager, Growth through Ag, Department of Agriculture
Cort Jensen, Chief Staff Attorney, Department of Agriculture
Brian Eggebrecht, President, Montana Grain Growers
Charlie Bumgarner, Secretary, Montana Grain Growers

*Chairman Bruce Myllymaki called the meeting to order at 9:15 a.m. After introduction of board members and guests, **Chairman Myllymaki called for public comment and heard none.***

Director Schock made the motion to adopt the tentative agenda and Director Schoonover seconded it. The agenda passed unanimously.

Review of June 13, 2012 Meeting Minutes

Executive Vice President Kim Falcon presented the minutes of the June Board Meeting.

Director Schoonover moved and Director Kolstad seconded the motion to approve the minutes. The motion passed unanimously.

Financial Review

Kolleen Spurgin presented the FY 2011-2012 Year End and First Quarter FY 2013 Financial Statement and Collection update. There was a brief discussion on refunds and the need to add MWBC web site information to the new refunder letter. The board was informed we had \$85 left of the current spending authority.

Director Mattelin moved to accept the financial statement. Director Kolstad seconded the motion. The motion passed unanimously.

Montana Department of Agriculture Update

Director de Yong attended a Tri-National Accord meeting in Mexico where he co-chaired the bilateral meeting between US and Canada. A few of the items discussed were:

- Updating the Canadian grain grading system
- Phytosanitary certifications that have the potential to be used as trade barriers
- WTO ruling on Country-of-origin labeling

After our last board meeting Joel and Ron got a tour of the food system labs at NDSU. In the future there will be increased discussions on food systems rather than commodities.

“View from the Trade”

Byron Grassman informed the board that the markets are up and that he saw 45-50 yields per acre, it was a good year. He also predicted that winter wheat acres will be up this year in the Golden Triangle. It was a good barley crop. He talked about the West Coast port strike and the impact on the rail and elevator business.

Kim Falcon asked the Directors and others at the meeting what was seeded in their areas: The Golden Triangle was mostly winter with some spring; Northwestern: spring; Northeastern: all spring; Eastern: 50/50; Central: 60% winter, 40% spring. Rotation crops being utilized were peas and mustard.

Trademark Presentation

Cort Jensen presented information on trademark and branding of Montana Wheat to reassure our buyers that they will receive only Montana Wheat. It could be a defense against co-mingling of Canadian and Montana wheat. Montana would be able to set the standards for the trademark. There is a concern that some elevators will refuse to

handle it if they need to keep grain separate. Kim and Cort will investigate the issue more and report back at the December Board meeting.

Cort also made the suggestion that a law could be made to restrict assessment refunders to U.S. citizens only.

Montana Grain Growers

Brian Eggebrecht updated the board on the status of the farm bill; the outcome is unknown. The MGA likes parts of both the House and Senate versions of the bill. Sustainability is a major concern for companies and should be for producers also.

US Wheat Associates

Director Schock and Schoonover updated the board of the current situation at US Wheat Associates and that the lack of a farm bill that will force the overseas offices to close and lay-off staff. US Wheat has asked MWBC for a loan if possible. Director Kolstad talked about his upcoming trip to Latin America.

MSU Update

Dr. Jacobsen said MSU will put a hold on all new awards until a new farm bill was passed. MSU has hired 5 new deans who will be appointed in January, and he is working on filling the vacancies at the research centers. MSU is reporting record enrollment. Dale Schuler received the Outstanding Ag Leader award. Dr. Bruckner's Yellowstone variety was recently purchased by Syngenta and will be named Clearstone.

Montana Agricultural Statistics Service Report

Steve Anderson reported that in 2010 the cost to the producer is \$100 per acre to farm and in 2011 it increased to \$115 an acre, due to rising costs of fuel and fertilizer. The agency will once again be conducting a Census of Agriculture in December and January. The field staff will all receive iPads for data entry while on the road; it should make data collection more efficient.

Grant Software Presentation

Angie Nelson from the Department of Ag presented the new Web Grant Software that they have been implementing at the state for the last year. They explained that it will cut back on the paperwork and avoid lost or misplaced contracts. After a discussion of cost and the technology needed to be able to make it work a motion was made.

Director Kolstad moved to make the necessary purchases and training needed to implement the Web Grant Software. Director Schoonover seconded the motion. The motion passed unanimously.

Transportation Update

Terry Whiteside presented the transportation report; he reported that there is some conflict with Berkshire Hathaway forgetting to report that it owned some smaller

railroads when it purchased BNSF. There was a discussion about the coal shipments by rail and how this will affect pricing and wheat shipments.

Missouri River Recovery Implementation Committee (MRRIC)

Director Mattelin updated the board on the projects currently under review by MRRIC; sustainability is an issue for the working group. There are 28 stakeholders including 7 states and several tribes involved in determining what projects take priority. They are currently working on the Yellowstone River Project; with a budget between 60 to 80 million. Networking is one of the top benefits of this organization.

Wheat Marketing Center (WMC)

Director Schoonover gave a brief update and let the committee know that Dave Shelton has submitted his compliance documentation requested by Montana Wheat & Barley staff.

7th Annual Canadian Barley Symposium

Chairman Myllymaki reported that the symposium had some very technical presentations. He was interested in hearing from producers some of the problems they have encountered this season. He also said that the biggest competition that barley has in Canada is canola.

Executive Vice President's Update

Executive Vice President Falcon presented the Food Barley report from Northern Crops Institute. We are also now part of the National Pasta Association and Milo Mattelin offered to be a committee member for the organization. China is concerned with TCK from Montana; it is creating barriers with trade. A survey may be necessary to prove that it is not present in the state. Ms. Falcon gave Dave Tweet's report to the committee; he attended the Montana Brewers Association Convention in Missoula.

Ms. Falcon explained that at the suggestion of buyers we might want to host a Latin American team to attend the Micro Brewers Conference next year in Montana.

Ms. Falcon attended the EGT Grand Opening in Vancouver, WA; the board discussed the proposed strike and the affects producers might see at their end.

Wheat Foods Council

Bing Von Bergen expressed his disappointment in the handling of the negative publicity of wheat brought about by the "Wheat Belly" book and gluten-free fad. Director Schock explained what the Wheat Foods Council has been doing to make sure the correct information is presented. The board instructed Director Schock to let the Wheat Foods Council know that there needs to be a stronger response to the situation.

Marketing Program Update

Cassidy Marn provided information on this year's Trade Teams, and the Hard Red Spring Roundtable she attended in Fargo. She also attended the Women Stepping Forward in Agriculture where attendance was 50/50 farmers and ranchers. Ms. Marn gave an update on the progress of the surveys and gave a brief overview of the snail issue in the Belt area. A letter of support was recently given to the film makers of a movie called the Great American Harvester.

Communications Update

Steve Becker gave a report on activities at the state field days, Young Ag Leadership Conference and the Wheat Quality Tour in North Dakota.

Approval of Staff and Director Travel

The following will be added to the travel calendar:

Dec. 9 - DTN Contracting Acres Workshop – Chicago, IL (Kim*, Cassidy, Leonard) (*as of 11/19/12 Steve Becker will be attend workshop)

Director Mattelin moved to accept the new travel schedule and Director Schoonover seconded. The motion passed unanimously.

Upcoming Events

Oct. 16	McCoy Fellowship Trade Team – Great Falls
Oct. 17	Nippon Trade Team – Great Falls
Oct. 19-20	Japanese Food Barley Team - Bozeman
Oct. 22-23	Wheat Marketing Center Board Meeting – Portland, OR (Frank)
Oct. 22-24	Export Exchange – Minneapolis, MN (Kim)
Oct. 23-25	Missouri River Recovery Implementation Committee – Omaha, NE (Milo)
Oct. 23-30	Japan Goodwill Mission (Cassidy, Randy)
Oct. 24	Plains Grains, Inc. Board Meeting – Houston, TX (Kim)
Oct. 24-27	US Wheat Associates Fall Board Meeting – Houston, TX (Kim, Leonard, Frank, Cassidy)
Oct. 26-27	MSU Ag Fair – Bozeman (Steve)
Oct. 26-27	Montana Farmers Union Convention – Great Falls (Kim)
Nov. 1-14	Latin America Board Team (Chris)
Nov. 5-7	North Asia Marketing Conference – Honolulu, HI (Kim, Frank)
Nov. 6	Election Day – Office Closed
Nov. 11-14	Montana Farm Bureau Convention - Billings
Nov. 11-14	Association of Latin American Industrial Millers(ALIM) – Mexico (Leonard)
Nov. 12	Veteran's Day – Office Closed
Nov. 14	US Grains Council State Exec Meeting – Washington, DC (Kim)
Nov. 20	Northern Crops Institute Board Meeting – Fargo, ND (Milo)
Nov. 22	Thanksgiving Day – Office Closed
Nov. 27-30	Producer Tour – Portland, OR (Steve, Tom)
Dec. 4-6	Montana Grain Growers Association Convention – Great Falls

Montana Wheat & Barley Committee Board Meeting

October 10, 2012

6

Dec. 9	DTN Workshop – Chicago, IL (Kim, Cassidy, Leonard)
Dec. 10-12	Ag Summit – Chicago, IL (Leonard)
Dec. 25	Christmas Day – Office Closed
Jan. 9-12	Young Ag Couples Conference - Helena
Jan. 13-14	National Barley Improvement Committee – San Diego, CA
Jan. 17	Wheat Foods Council – San Francisco, CA (Leonard)
Jan. 23-25	Pacific Northwest Wheat Quality – Scottsdale, AZ (Kim)
Jan. 25-30	US Wheat Associates Winter Board Meeting – Washington, DC (Kim, Frank, Leonard, Chris)
Jan. 29-Feb. 1	Montana Agricultural Business Association/Montana Grain Elevators Association Convention – Great Falls (Steve)
Feb. 11-13	US Grains Council Marketing Conference and Annual Meeting – Charleston, SC (Kim, Buzz)

Election of Officers

Director Hinebauch moved that Director Mattelin be named Chairman and Director Kolstad be named Vice Chairman of the MWBC and Director Schoonover seconded. The motion passed unanimously.

The board will recognize Melvin Goffena with clock for his service to the committee.

Director Mattelin moved to have the transportation invoice for the period July 1-October 3, 2012 paid out of this year's budget. Director Schock seconded. The motion passed unanimously.

New Business

MWBC Interim Board meeting will be held December 4th in Great Falls during the Montana Grain Growers Convention.

MWBC Winter Board Meeting and Research Review will be held February 20-21, 2013, at MSU in Bozeman

Changes in Board Assignments:

- Bruce Myllymaki – US Grains Council
- Chris Kolstad – US Wheat Associates
- Tom Siderius – Institute of Barley and Malt Sciences
- Milo Mattelin – National Pasta Association
- Tom Siderius – MSU Variety Release Committee
- Tom Siderius – Alternate for National Barley Improvement Committee

After asking for public comment Chairman Myllymaki adjourned the meeting at 3:45 pm.